



BUSINESS MEETING OF THE
MICHIGAN LIQUOR CONTROL COMMISSION

Held: Tuesday, September 9, 2014
Lansing District Office
525 W Allegan
Lansing MI 48909

Present: Andrew J. Deloney, Chairman
Teri L. Quimby, Commissioner
Dennis Olshove, Commissioner

Absent: None

Staff: Julie Wendt, Director of Executive Services Division
Pam Hamilton, Deputy Director of Finance Division
Kerry Krone, Business Manager
Andrea Miller, Public Information Officer
Anita Fawcett, Executive Services Division

The meeting was called to order by Chairman Deloney at 9:43 a.m., noting a quorum was present.

- I. **Moved by Commissioner Olshove, supported by Commissioner Quimby, that the minutes of the Commission meeting of September 2, 2014, be approved as written and presented, motion carried by unanimous vote.**
- II. Ms. Hamilton presented a proposed bulletin for the Schedule of Accounting Periods for the Commission for fiscal years 2014 through 2016. She advised this is a routine bulletin sent out yearly and designates accounting week numbers, number of week days per month, total week days per fiscal year, etc. Ms. Hamilton stated this information is essential for comparison purposes, which are used by the Commission, ADAs, and Vendors of Spirits for sales and inventory accounting purposes.

Ms. Hamilton presented a proposed bulletin that is sent to the authorized distribution agents of the Commission informing them of the holidays that the State will observe for 2015. She advised this is a routine bulletin that is sent out yearly that lists the days the Commission will be closed for business during the calendar year.

Moved by Commissioner Olshove, supported by Commissioner Quimby, that Bulletin No. 2014-05, Schedule of Accounting Periods, be approved as written and presented, motion carried by unanimous vote.

Moved by Chairman Deloney, supported by Commissioner Olshove, that Bulletin No. 2014-06, State of Michigan 2015 Holidays, be approved as written and presented, motion carried by unanimous vote.

- III. Ms. Wendt presented a request from The Mackinac Center for Public Policy for rescission of administrative rule R 436.1625, subrule (1) through (4) and administrative rule R 436.1726, subrule (1) and (2).

Ms. Wendt advised that administrative rule R 436.1625 requires manufacturers and wholesalers to file a schedule of net cash prices to retail licensees for all brands of beer for its market area. This rule also requires manufacturers and wholesalers to file beer package price reductions that must continue for at least 180 days after the effective date. The prices may be increased or decreased during the 180-day period for certain reasons.

Ms. Wendt advised that administrative rule R 436.1726 requires manufacturers and wholesalers to file a schedule of net cash prices to retail licensees on a quarterly basis for all brands of wine. This rule requires that prices not be changed during a quarterly period unless approved by the Commission and that a price change may not be granted for periods of less than 14 consecutive days.

Ms. Wendt stated that it is argued by The Mackinac Center for Public Policy that these rules are both archaic and unnecessary and impose a form of government-facilitated price collusion which suffocates competition to the benefit of narrow special interests at the expense of consumers.

Chairman Deloney stated that all the materials have been reviewed and that the only voice in opposition to these rules at this time is The Mackinac Center for Public Policy. The Commission has not heard from retailers that these rules are detrimentally impacting their businesses. Both the Michigan Beer and Wine Wholesalers Association and the Michigan Licensed Beverage Association are in opposition to the rescission of these rules. In addition, the Chairman advised that the Commission is conducting a comprehensive review of all the administrative rules and will be reviewing both the beer and wine rule sets to incorporate the recent statutory changes. This issue can be addressed with the entire rule set rather than as an individual rule rescission and the Commission may hear more about these rules at that time from manufacturers, wholesalers, retailers, and consumers.

After a brief discussion on the issue, it was **Moved by Chairman Deloney, supported by Commissioner Olshove, that the request for rescission of R 436.1625(1-4) and R 436.1726(1-2), be denied, motion carried by unanimous vote.**

III. Old Business.

There was no Old Business.

IV. New Business.

There was no New Business.

V. Public Comments.

There were no Public Comments.

With no further business, moved by Commissioner Olshove, supported by Commissioner Quimby, that the business meeting be adjourned at 9:52 a.m., motion carried by unanimous vote.

Anita Fawcett
Executive Services

Andrew J. Deloney
Chairman